GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6099
ANSWERED ON:05.05.2000
ACCEPTANCE OF SOILED NOTES
AMAR ROY PRADHAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued instructions to banks to accept spoiled/torn currency notes of small denominations from the customers;

(b) if so, the date on which the orders in this regard were issued to banks;

(c) whether inspite of such order some banks do not accept spoiled/torn currencies from the public;

(d) if so, the reasons therefor; and

(e) the steps being taken by the RBI to ensure that the orders should be implemented by all the banks in true spirit ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a)&(b): The Reserve Bank of India has issued instructions to all banks, vide their circulars dated 9-8-76, 2-4-85, 15-1-86, 12-1-88, 25-5-88, 28-6-88, 7-5-90 & 3-12-96, to accept spoiled/torn currency notes of all denominations from the customers.

(c)&(d): The RBI has received a few complaints from the public citing deficiencies in exchange of soiled/torn currency notes from the banks.

(e): The RBI has initiated the following steps to ensure that the instructions pertaining to exchange facilities are implemented by the branches of public sector banks and those of private sector banks having currency chests:-

(i) In order to mop up the soiled notes of Rupee 1, Rs.2 and Rs.5 denominations from circulation, Regional Offices of RBI and some important currency chests have opened Special counters for exchange of these notes.

(ii) After ensuring that adequate supply of coins are available in each of the denominations, at RBI chests, advertisements were issued in the local newspapers and also through electronic media so that the facility was duly brought to the notice of the public.

(iii) Some of the public sector bank branches as also the Regional Offices of the SBI have arranged mobile counters (vans) in city/mandi/market area etc. for distribution of coins in exchange of soiled notes.